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77-5174

23 July 1977

MEMORANDUM FOR: Director of Central Intelligence

FROM : James R. Lilley
National Intelligence Officer for China

SUBJECT : NIAM on Prospects for Taiwan

1. You have read an earlier draft of this paper and we have tried to work your comments and suggestions into this final draft.

2. As of this writing, 1100 23 July, we have received no substantive disagreements from State or DOD on the paper. General Tighe has just informed us that DIA's suggestions have been incorporated into earlier drafts.

3. DIA had earlier suggested that in Key Judgment A we add the phrase to the first sentence "if provisions for Taiwan's security and continuation of a full range of cultural and economic ties between the US and Taiwan are made." We told DIA that this language was used in the Scope statement on page 1 immediately preceding Key Judgment A and did not need to be repeated. If it were repeated, it would lead to a repetitive tone in the paper.

[Redacted]

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5. On pages 12, 17 and 18 we deal with naval blockade. You and [Redacted] raised questions about this section in our earlier drafts. We have tried to deal with your questions here in brief and succinct form for the lay reader.

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6. On page 10, paragraph 7, we try to deal with the Soviet problem. In our earlier draft you raised a question whether the Chinese would in fact have to weaken their anti-Soviet defenses to deal with Taiwan. We have looked at this issue, and we have here a position which represents the thinking of CIA, the military services, State and DIA.

[Redacted]

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DIA review(s) completed.

James R. Lilley

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